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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

30470100
TASK 2606

October 28, 2008

Catherine Ziegler
Ziegler Chemical & Mineral Corp.
Star Route
Vernal, Utah 84078

Subject: Deficient Notice of Intention and Reclamation Bonding Required to Commence Small Mining Operations, Ziegler Chemical & Mineral Corp., Harrison Project, S0470100, Uintah County, Utah

Dear Ms. Ziegler:

The Notice of Intent to Commence Small Mining Operations (NOI), received by the Division on June 13, 2008, is incomplete. The following information is required:

- 1) Page 7 - VIII. Initial all three boxes and send with original Signature

The surety amount for this site is determined to be \$7,300 for a 3 year escalation and 7,900 for a 5 year escalation, as listed below:

Project Name S/047/0100

3-year escalation (2011)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$6,300.00	\$6,300.00
Add'l Acres Disturbance	0	\$3,900.00	\$0.00
Equipment sets	1	\$1,000.00	\$1,000.00
TOTAL			\$7,300.00

5-year escalation (2013)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$6,800.00	\$6,800.00
Add'l Acres Disturbance	0	\$4,300.00	\$0.00
Equipment Sets	1	\$1,100.00	\$1,100.00
TOTAL			\$7,900.00

EQUIPMENT SETS per site INCLUDE -
HOIST HOUSE, ORE BIN, COMPRESSOR, FUEL TANK, GENERATOR



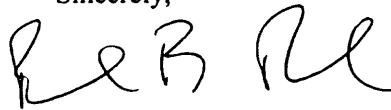
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Please submit the reclamation surety and Reclamation Contract within the next 30 days. No mining related disturbance can be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including cash, an irrevocable letter of credit, a certificate of deposit, or a surety bond. Please contact Penny Berry at (801) 538-5291 or e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

In reply, please refer to file number S/047/0100. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager